



CODE OF PROCEDURE

of the

SUPERVISORY BOARD

of

METRO AG

**(entered into the trade register of the Local Court of Duesseldorf
with the trade register number HRB 79055)**

(effective as of 1 October 2020)

Pursuant to § 12 Section (1) of the Articles of Association of the Company the Supervisory Board adopts the following Code of Procedure:

§ 1 General Provisions

- (1) The Supervisory Board performs its activities in accordance with the legal requirements, the articles of association and the present Code of Procedure in trustful cooperation with the Management Board for the benefit of the Company as controlling company of its dependent companies according to § 17 AktG (German Stock Corporation Act) (jointly "Group"). Its members have the same rights and duties and are not subject to any instructions.
- (2) The Management Board and the Supervisory Board of the Company act in compliance with the currently valid recommendations of the German Corporate Governance Code and deviate from the recommendations of the Code only in justified exceptional cases. If the Management Board or the Supervisory Board intends to deviate from any one of the recommendations the boards will mutually advise each other of the planned procedure.
- (3) The Supervisory Board defines concrete targets for its composition and prepares a competency profile for the entire board. It pays attention to diversity. Proposals of the Supervisory Board to the general meeting should take these targets into account and at the same time aim to fill out the competency profile for the entire board. The regular limit for length of membership in the Supervisory Board is ten (10) years. The term of office for representatives of the shareholders in the Supervisory Board shall in principle be three (3) years. For first election as member of the Supervisory Board in principle only those candidates shall be proposed that at the point of time of their first election are not older than 65 years. In general, only those candidates shall be proposed for election as member of the Supervisory Board that at the point of time of their election are not older than 71 years. The Supervisory Board decides on justified exceptional cases in the sense of sentences 4 to 7 in its sole discretion in each case.

§ 2 Chairman and Vice Chairman

- (1) From among its members the Supervisory Board shall elect a Chairman and a Vice Chairman with the legally prescribed majority. The Chairman should be independent of the company and the Management Board in the sense of the German Corporate Governance Code. The election will be for the duration of the term of office of the Supervisory Board member elected. The election of the Chairman of the Supervisory Board shall be chaired by the member of the Supervisory Board oldest in years, unless the elected Vice Chairman chairs the meeting.
- (2) If the Chairman or the Vice Chairman leave the Supervisory Board or resign from office, the Supervisory Board shall without undue delay organize a reelection for this office.
- (3) The Chairman shall coordinate the work of the Supervisory Board and represent the interests of the Supervisory Board externally. He or she maintains regular contact between the Supervisory Board meetings with the Management Board, especially its Chairman, and consults with him or her questions of

strategy, business development, risk situation, risk management and compliance of the company and the group companies. In an appropriate frame he or she is willing to have talks with investors on Supervisory Board specific topics.

§ 3

Convocation of Meetings of the Supervisory Board

- (1) The meetings of the Supervisory Board shall take place at the registered office of the Company or at some other venue designated in the invitation.
- (2) The meetings of the Supervisory Board shall – notwithstanding § 110 Section 2 AktG (German Stock Corporation Act) – be convened by the Chairman of the Supervisory Board (in his absence by the Vice Chairman) subject to a deadline of fourteen (14) calendar days in writing, by telex, by telegraph by fax, or by electronic or other media. In urgent cases the Chairman may shorten the deadline and convene the meeting orally or by telephone. In this case the deadline should be no less than three (3) working days (Monday to Saturday). The deadline shall begin on the day the invitation is sent and terminate on the day before the meeting.
- (3) In the invitation the items of the agenda shall be communicated. The schedule of meetings and subjects attached to the present Code of Procedure are to be taken into consideration in this context. The meeting documents should in principle be sent out one week before the meeting, but at least in such good time that the members of the Supervisory Board can prepare adequately for the items of the agenda in order to diligently fulfil their duties. Under these circumstances in exceptional situations documents may be presented only in the meeting itself.
- (4) Items of the agenda not communicated in good time can only be decided upon effectively in a meeting if no Supervisory Board member challenges this procedure. In such cases absent Supervisory Board members have to be given the opportunity of challenging the decision within an adequate period of time to be determined by the Chairman or of casting their vote in writing. The decision shall only become effective if and when the absent member of the Supervisory Board has failed to challenge the decision within the determined period of time.
- (5) If the Management Board wants to discuss a current topic with the Supervisory Board outside a Supervisory Board meeting by way of a telephone or video conference or some other media, this must in contrast to section (2) be announced as a matter of principle 24 hours before the beginning of the telephone or video conference. As far as necessary all most recent contact data must be used for this announcement.

§ 4

Decisions of the Supervisory Board

- (1) As a general rule the decisions of the Supervisory Board are passed in meetings. The Chairman of the Supervisory Board can also allow members of the Supervisory Board to participate in meetings and decisions by way of telephone or video conferences. At the behest of the Chairman of the Supervisory Board decisions can also be passed outside of meetings by casting one's vote in writing, by phone, by fax, electronically or in any other comparable form. The following provisions apply also to votes taken outside of meetings.

- (2) The Supervisory Board has a quorum when the members have been invited under the most recently communicated contact data and at least half of the members that it consists of participate in the vote. A member also takes part in a decision when it abstains from voting.
- (3) The Chairman of the Supervisory Board determines the sequence in which the items of the agenda are dealt with as well as the type and sequence of the voting. He can postpone the discussion and the vote on individual items of the agenda on the application of the Management Board or for other important reasons. He can cancel or postpone a meeting for important reasons. The Chairman of the Supervisory Board appoints the keeper of the minutes. He decides on the involvement of experts and persons who can give information to help in the discussion of individual items of the agenda. The members of the Management Board shall participate in the meetings of the Supervisory Board unless the Chairman of the Supervisory Board stipulates otherwise, whereby the Supervisory Board regularly meets without the Management Board.
- (4) To the extent that the law does not bindingly specify anything different decisions of the Supervisory Board are passed with a simple majority of the votes cast. Abstentions are not deemed to be votes cast. If a decision ends in a parity of votes a second vote has to be taken on the same topic. If this also ends in an equality of votes the Chairman of the Supervisory Board shall have a casting vote. This casting vote can also be exercised via a written vote. The Vice Chairman is not entitled to the special casting vote of the Chairman of the Supervisory Board.
- (5) Absent Supervisory Board members can participate in votes of the Supervisory Board by having other members of the Supervisory Board submit their votes (written vote) in writing, by fax, electronically or in some other such comparable form. Late voting by an absent member is only possible if it is approved by all members present.
- (6) The Chairman of the Supervisory Board – or in his absence the Vice Chairman – is authorized to make declarations on behalf of the Supervisory Board that are necessary to implement the decisions of the Supervisory Board and of its committees. Only the Chairman of the Supervisory Board – and in his absence the Vice Chairman – is authorized to receive declarations on behalf of the Supervisory Board.
- (7) Minutes are to be kept on the meetings of the Supervisory Board which have to be signed by the chairman of the meeting. The minutes have to list the venue and date of the meeting, the participants, the items of the agenda, the major contents of the negotiations and the decisions passed by the Supervisory Board. Decisions not passed during the meeting are to be recorded in separate minutes by the chairman of the voting and communicated to the members of the Supervisory Board.

§ 5

Committees

- (1) For the performance of the tasks outlined in § 31 Section 3 MitbestG (German Codetermination Act) the Supervisory Board shall form a committee pursuant to § 27 Section 3 MitbestG; members of this committee are the Chairman of the Supervisory Board and his Vice, as well as one member each for the shareholders and the employee representatives elected with the majority of the votes cast.
- (2) From among its members the Supervisory Board can form additional committees with parity representation, especially those mentioned in § 6 through § 8, and endow them with tasks and authorities by way of a special decision. If legally permissible certain decision-making powers of the Supervisory Board can also be transferred to the committees. Unless decided otherwise by the Supervisory Board the committees shall consist of between four (4) to six (6) members each.
- (3) The Chairman of the Supervisory Board may consult members who are not part of the committee in an advisory function. The committees come together for joint meetings as required. The Chairman of the Supervisory Board regularly reports in the Supervisory Board meetings of the work of the Committees.
- (4) The provisions laid down for the Supervisory Board in the articles of association and the present Code of Procedure shall also apply to the internal order of the committees unless the present Code of Procedure or special rules of procedure for certain committees stipulate otherwise. In any case, three (3) members must participate in any voting.

§ 6

Presidential Committee

- (1) The Supervisory Board has a Presidential Committee. The Chairman of the Supervisory Board and his Vice are ex officio also members of the Presidential Committee. The Chairman of the Supervisory Board is at the same time also the Chairman of the Presidential Committee.
- (2) The Presidential Committee deals with the following matters in place of the Supervisory Board:
 - a) Decisions on non-compensation-related elements of the employment contracts of members of the Management Board;
 - b) Approval of extramural activities of a member of the Management Board pursuant to § 88 AktG as well as approval of the assumption of a side-line occupation, especially supervisory board mandates in companies outside the Group;
 - c) Succession planning for the Management Board;
 - d) Legal transactions with members of the Management Board pursuant to § 112 AktG;

- e) Granting of loans to the group of people defined in § 89 and § 115 AktG (especially Management Board and Supervisory Board members); if the granting of a loan to a member of the Management Board can be deemed to be part of the compensation the Presidential Committee will only become active in a preparatory mode;
 - f) Agreement to contracts with Supervisory Board members pursuant to § 114 AktG,
 - g) Considering § 107 Section 3 Sentence 7 AktG decision taking in such cases in which, in order to prevent considerable disadvantages for the Company, a delay until the next meeting of the Supervisory Board deems not unacceptable and also with a voting of the Supervisory Board within the required time frame cannot be brought about; the decision must be reported in the next meeting of the Supervisory Board;
 - h) Decision taking on other matters transferred per decision of the Supervisory Board to the Presidential Committee.
- (3) On the following topics the Presidential Committee becomes active in a preparatory function on behalf of the Supervisory Board and gives recommendations for decisions if necessary:
- a) Appointment and dismissal of Management Board members; in its considerations the committee takes into account that the term of office of a member of the Management Board of the Company as a rule should not go beyond the age of 65;
 - b) Determination of the remuneration system for the members of the Management Board as well as the fixing of individual salaries and if necessary, the reduction of compensations for members of the Management Board pursuant to § 87 Sections 1 and 2 AktG.
 - c) Supervision of the application of the German Corporate Governance Code as well as preparation of the yearly declaration of compliance.

§ 7 Audit Committee

The Supervisory Board has a Audit Committee. Details of the committee are settled by the Supervisory Board in a special code of procedure for this committee.

§ 8 Nomination Committee

- (1) The Supervisory Board has a Nomination Committee. In contrast to § 5 Section (2) Sentence 1 the committee is composed exclusively of shareholder representatives consisting of at least three (3) members. The Chairman of the Supervisory Board is ex officio also a member of the Nomination Committee and at the same time the chairman of that committee. The committee is to be composed primarily of independent members of the Supervisory Board.
- (2) The Nomination Committee proposes to the Supervisory Board suitable candidates to be suggested to the Annual General Meeting for election as members

of the Supervisory Board. In this process the committee takes into consideration the legal requirements, the recommendations of the German Corporate Governance Code and the provisions of this Code of Procedure on the composition of the Supervisory Board. In its proposal the committee also makes sure that a functionally qualified appointment can be made to the committees as provided for by the present Code of Procedure.

§ 9

Transactions Requiring Approval

Transactions requiring approval have been laid down by the Supervisory Board in the code of procedure for the Management Board.

§ 10

Duty of Confidentiality

- (1) Irrespective of the maintenance of confidentiality pursuant to § 116 Sentence 2 AktG as well as possible criminal offences according to § 404 Section 1 No. 1 AktG the following rules and regulations on the duty of confidentiality shall apply.
- (2) Supervisory Board members – also after their departure from office - have to treat with the strictest confidentiality any and all confidential information and secrets of the Company and/or a Group company, especially operating and business secrets that they have become aware of in the Supervisory Board or in its committees. Subject to strict confidentiality are particularly the voting pattern, the course of the debate as well as the comments and other personal remarks of individual Supervisory Board members.
- (3) If a member of the Supervisory Board wants to pass on information to a third party where it cannot be safely ruled out that this information is of a confidential nature or relates to secrets of the Company and/or a Group company he/she is obliged to inform the Chairman of the Supervisory Board ahead of time and wait for his comments. If the Chairman of the Supervisory Board comes to the conclusion that the information is confidential or relates to secrets of the Company and/or a Group company the information in question shall not be passed on.
- (4) When leaving office the members of the Supervisory Board are obliged to immediately return to the Company any and all documents in their possession like letters, reports, correspondence, records and the like that refer to the matters of the Company and/or a Group company. The obligation is limited to those documents which were not published by the Company and/or a Group company and were received by the members of the Supervisory Board in their function as a member of the board or a committee. The audit reports as well as the dependency report have to be returned at the end of the balance sheet meeting of the Supervisory Board. These obligations shall also apply to duplicates and photocopies and analogously to electronic data. The members of the Supervisory Board shall not have any right of retention with regard to such documents and electronic data.

§ 11

Rules for Conflicts of Interest and Personal Businesses

- (1) Every member of the Supervisory Board shall be committed to the interests of the company and shall neither pursue personal interests in his/her decision-making nor use for himself or for persons or companies close to him/her the business opportunities that are rightly due to the Company and/or a Group company.
- (2) Every member of the Supervisory Board shall bring to the attention of the Chairman of the Supervisory Board any and all conflicts of interest without undue delay. The Chairman of the Supervisory Board shall pass this information on to the members of the Supervisory Board in the proper form. In the meeting of the Supervisory Board in which a decision will be taken on matters that may involve the personal interests respectively the interests of closely related persons or companies of a member of the Supervisory Board, the member of the Supervisory Board in question must abstain from voting in the decision-making process to the extent that this member must or should also refrain from participating in the relevant debate and decision.

Members of the Supervisory Board shall have no board functions or perform consulting tasks at major direct competitors of the company or a group company and shall have no personal relation to a major competitor.

§ 12

Coming into Force

This Code of Procedure shall come into force with effect from 1 October 2020 and replaces the Code of Procedure of the Supervisory Board of the Company effective since effectiveness of the demerger and spin-off as well as implementation of the status proceedings.

**Annex to the Code of Procedure of the Supervisory Board
of METRO AG**

Schedule of Meetings and Subjects of the Supervisory Board

Meeting	Field	Topic
November	Business	<ul style="list-style-type: none"> • Current business development
	Management Board / HR	<ul style="list-style-type: none"> • Management Board remuneration: <ul style="list-style-type: none"> • STI-performance factors for preceding FY • Amount of variable remuneration components to be granted individually for the preceding FY • Changes in top management
	Strategy / Budget	<ul style="list-style-type: none"> • Sustainability
	Governance / Risk & Compliance	<ul style="list-style-type: none"> • Declaration on corporate management • Governance functions: Internal control system, risk management system, internal audit and compliance (including GRC yearly report)
December Balance sheet meeting (with participation of auditor)	Business	<ul style="list-style-type: none"> • Current business development
	Financial reporting / audit	<ul style="list-style-type: none"> • Annual and consolidated financial statements • Profit appropriation
	Management Board / HR	<ul style="list-style-type: none"> • Changes in top management
	Governance / Risk & Compliance	<ul style="list-style-type: none"> • Report of the Supervisory Board • Decision proposals to general meeting
February Before general meeting	Business	<ul style="list-style-type: none"> • Current business development (1st quarter)
	Financial reporting / audit	<ul style="list-style-type: none"> • Audit assignment (financial statements and non-financial statement) for current FY
	Management Board / HR	<ul style="list-style-type: none"> • Changes in top management
	Governance / Risk & Compliance	<ul style="list-style-type: none"> • Information on general meeting • Assignment of legal advisor for possible law suits under German Stock Corporation Law
May	Business	<ul style="list-style-type: none"> • Current business development (1st half-year)
	Management Board / HR	<ul style="list-style-type: none"> • Leadership at METRO: talent management and succession planning • Changes in top management
May / June Strategy meeting	Strategy / Budget	<ul style="list-style-type: none"> • Long-term group-wide / regional strategy plus HR strategy • Key points strategy / budget for the following FY
July/August	Business	<ul style="list-style-type: none"> • Current business development (3rd quarter)
	Management Board / HR	<ul style="list-style-type: none"> • Changes in top management

Meeting	Field	Topic
September	Business	<ul style="list-style-type: none"> • Current business development
	Management Board / HR	<ul style="list-style-type: none"> • Management Board remuneration: <ul style="list-style-type: none"> • Individual concrete target total remuneration of Management Board members for the coming FY • STI-targets (financial and strategic performance parameters) for coming FY • LTI-targets for coming FY • Changes in top management
	Strategy / Budget	<ul style="list-style-type: none"> • Budget incl. medium-term planning (report on business policy, finance, investment and HR planning incl. report by Labour Director)
	Governance / Risk & Compliance	<ul style="list-style-type: none"> • Declaration of compliance pursuant to § 161 AktG

In general the Supervisory Board meets at the end of each meeting for a so-called closed session without the Management Board.

Every two years the Supervisory Board carries out a self-assessment of efficiency and effectiveness of the work of the Supervisory Board in total and of its Committees.

In addition to the aforementioned subjects, the agendas of the Supervisory Board meetings take into account significant current key topics as well as follow-ups on significant investments and projects. In the event of current demand, extraordinary meetings can be convened by the Chairman.

Twice a year learning sessions regarding strategic key topics are planned.

Schedule of Meetings and Subjects of the Audit Committee

(at the same time annex to the Code of Procedure of the Audit Committee)

Meeting	Field	Topic
November	Governance / Risk & Compliance	<ul style="list-style-type: none"> Governance functions: Internal control system, risk management system, internal audit and compliance (incl. GRC yearly report)
December Balance sheet meeting (with participation of auditor)	Financial reporting / accounting / audit	<ul style="list-style-type: none"> Annual and consolidated financial statements (incl. press release) Profit appropriation Proposal election of auditor (incl. review of the independence of the auditors / non-audit services of the auditor and cap)
February (with participation of auditor)	Financial reporting / accounting / audit	<ul style="list-style-type: none"> Quarterly statement 1st quarter Audit assignment (financial statements and non-financial statement) for current FY Where applicable non-audit services of auditor
	Other	<ul style="list-style-type: none"> Use of financing framework Capital market view on Group or changing key topic
	Financial reporting / accounting / audit	<ul style="list-style-type: none"> Half year financial report (incl. press release) Quality of audit Key topics for audits Where applicable non-audit services of auditor
May (with participation of auditor)	Strategy / Budget	<ul style="list-style-type: none"> Key points strategy / budget for following FY Corporate tax planning
	Governance / Risk & Compliance	<ul style="list-style-type: none"> Risk & Compliance Update (incl. GRC half-year report)
	Financial reporting / accounting / audit	<ul style="list-style-type: none"> Quarterly statement 3rd quarter (incl. press release) Update on reporting standards
July/August (with participation of auditor)	Strategy / Budget	Pre-Budget for the following FY
September (with participation of auditor)	Financial reporting / accounting / audit	<ul style="list-style-type: none"> Where applicable non-audit services of auditor
	Strategy / Budget	<ul style="list-style-type: none"> Budget incl. medium-term planning
	Governance / Risk & Compliance	<ul style="list-style-type: none"> Report Group Internal Audit incl. audit planning

According to the legal provisions for the external rotation of auditors, the Audit Committee deals with the tender and selection process for audit assignments and submits proposals on the selection of auditors to the Supervisory Board.

In addition to the aforementioned subjects, the agendas of the Audit Committee meetings take into account significant current key topics. In the event of current demand, extraordinary meetings can be convened by the Chairman.

If required, the Audit Committee supports the Presidential Committee in calculation and evaluation of remuneration relevant key figures.

Schedule of Meetings and Subjects of the Presidential Committee

Meeting	Field	Topic
November	Management Board / HR	<ul style="list-style-type: none"> • Remuneration report • Management board remuneration: <ul style="list-style-type: none"> • STI-performance factors for preceding FY • Amount of variable remuneration components to be granted individually for the preceding FY • Sideline activities of Management Board • Audit report: travel expenses accounting and reimbursement to the Management Board • Leadership at METRO: talent management and succession planning
	Governance	<ul style="list-style-type: none"> • Corporate Governance report
May	Management Board / HR	<ul style="list-style-type: none"> • Leadership at METRO: talent management and succession planning • Management Board assessment (mid-year review)
July/August	Management Board / HR	<ul style="list-style-type: none"> • Management Board remuneration: <ul style="list-style-type: none"> • Status of variable remuneration components for the current FY • Pre-budget for coming FY (basis for STI and LTI targets) • Review of remuneration system for the Management Board (if not appropriate: every four years)
September	Management Board / HR	<ul style="list-style-type: none"> • Management Board remuneration: <ul style="list-style-type: none"> • Individual concrete target total remuneration of the Management Board members for the coming FY • STI-targets (financial and strategic performance parameters) for coming FY • LTI-targets for the coming FY
	Governance	<ul style="list-style-type: none"> • Declaration of conformity pursuant to § 161 AktG

Schedule of Meetings and Subjects of the Nomination Committee

If required	Preparation of elections of shareholder representatives in the Supervisory Board
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